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SUBJECT: Media Reaction Sao Paulo- Attention on China, The Death of the Consensus 04-06-2009

Media Reaction: Global Economy: G-20 summit readout; financial market crisis; China and global economy; Sao Paulo

April 6, 2009

Title- Attention on China

Editorial in liberal Folha de S. Paulo (4-6) states: "...On Friday President Luiz Inacio Lula da Silva took a dangerous step. He proposed to his Chinese colleague, Hu Jintao, the utilization of their currencies - Real and Yuan - for bilateral trade, replacing the [US] dollar....Brazil, to the contrary of what President Lula proposes, should lead the resistance to the excessive penetration - and many times based on unfair trade practices - of Chinese interests in South America."

Title- The Death of the Consensus

Op-ed in liberal business oriented Valor Economico (4-6) by Sergio Leo states: "...The death declared by British Prime Minister Gordon Brown was not of the Washington Consensus, but rather the fundamentalist belief in just one of its 10 items: deregulation as the best tool for promoting the allocation of resources and development. The new global consensus establishes that the post-crisis world will have stronger and more active institutions to control market agents. As with every international economic consensus, the new consensus is not entirely followed by the most powerful countries when they make their policies....A good part of President Lula's success at the G-20 comes from the Brazilian government's respect for the principles enshrined in the Washington Consensus....He knows that his credibility would be dead if he believed that the era of fiscal discipline for the dark skinned countries is over [in a allusion to the contrary of blue-eyed people, which Lula said were to blame for the crisis] ."  
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